

The need for record keeping



Why is it important to keep records?

- ◆ 1. Provides Necessary Financial records
 - ◆ Increase efficiency
 - ◆ Increase Profitability

Why is it important to keep records?

- ◆ 2. Essential for the preparation of financial documents
 - ◆ Income Statement (Profit/Loss)
 - ◆ Cash flow projections
 - ◆ Needed to maintain relations with banker
 - ◆ Present a complete picture of your total business operation

Why is it important to keep records?

◆ 3. Taxes

- ◆ Poor records result in overpaying or underpaying
- ◆ Records are essential in an IRS audit
 - ◆ To defend yourself & answer questions to the satisfaction of the IRS

Why is it important to keep records?

4. Good records will also allow you to apply for FFA degrees and awards.